The Hanover Insurance Group

Annual Meeting of Shareholders

May 12, 2020

The Hanover Insurance Group®

Responding to the COVID-19 Pandemic





AGENCY CHECKLISTS

The Hanover Responds To Coronavirus Pandemic With Initiatives To Support Policyholders And Local Communities

April 10, 2020

The Hanover is the second Massachusetts insurer to announce an auto premium giveback to its insureds

The Hanover Insurance Company has announced a new auto insurance relief program for its insureds in response to the COVID-19 global pandemic. Through the newly created CARES Refund, The Hanover will return 15% of April and May auto insurance premiums to its eligible personal lines customers.

"We recognize our customers are feeling significant stress, including financial pressure, as a result of this pandemic," said John C. Roche, president, and chief executive officer at The Hanover. "Our company has a long, proud tradition of being there when we are needed most.

The Hanover Insurance Group®

Agenda

Review our:

- Competitive position and prospects
- Recent performance
- Mission to be the premier P&C franchise in the independent agency channel

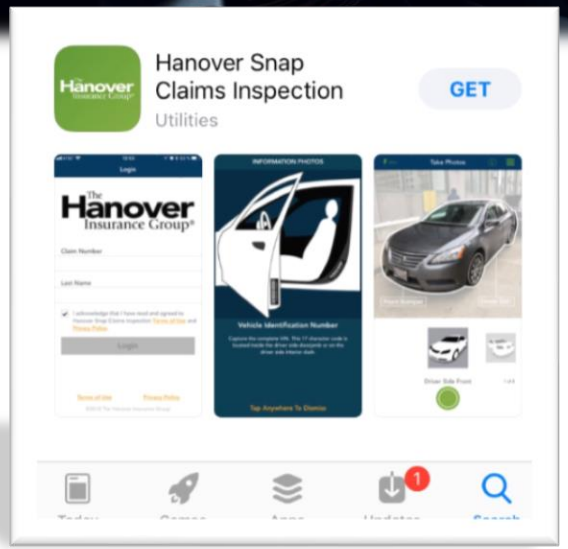
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The Pace of Change is Accelerating











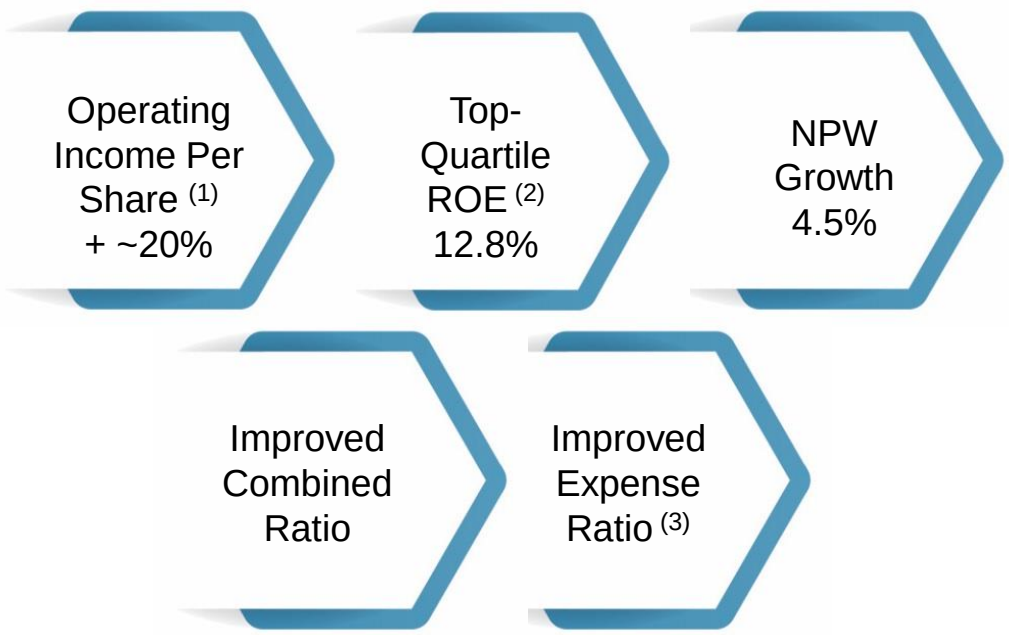
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We are Prepared and Positioned to Succeed

- Strong financial foundation
- Proven and distinctive strategy
- Agile, responsive business model
- Broad and deep partnerships
- Experienced and committed team

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Strong Performance in 2019

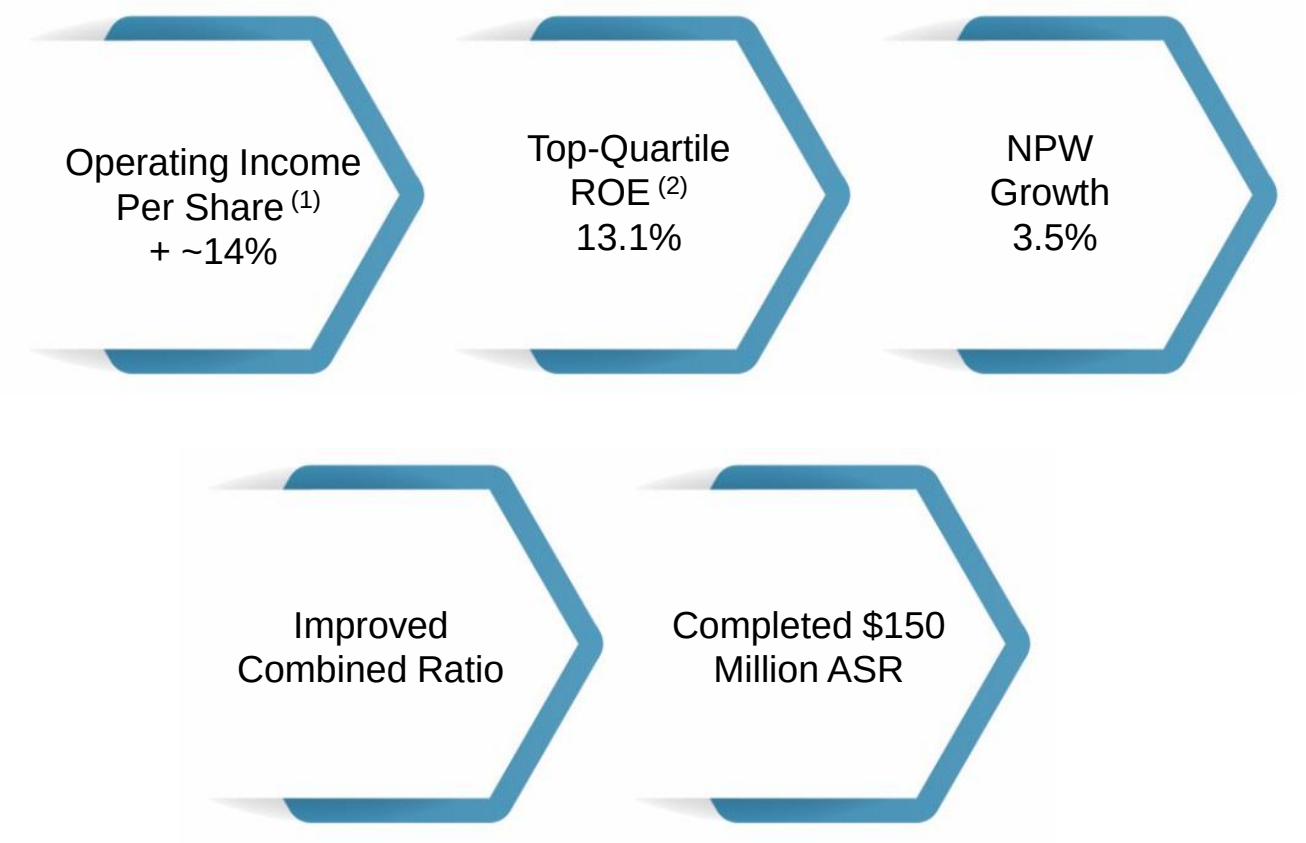


Strategic Progress:

- Expanded distribution
- Enhanced product offerings in all segments
- Drove innovation across the company
- Invested in technology, data and analytics
- Actively managed business mix
- Prudently managed capital

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Maintained Positive Momentum in First Quarter



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Our Vision and Strategy

OUR VISION:
To be the premier P&C franchise

by helping independent agents transform the way customers experience insurance



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Our Collaborative and Agile Culture







CORPORATE SOCIAL RESPONSIBILITY

GLOBAL REPORTING INITIATIVE (GRI) INDEX

The Hanover is committed to openness in our environmental, social and governance policies and programs, and we are pleased to share our progress through our Global Reporting Initiative (GRI) Index.

Read now

RESPONSIBLE INVESTMENT POLICY

At The Hanover, we incorporate ESG factors in our decision-making as part of our fundamental investment research process. Learn more in our Responsible Investment Policy.

Read now

ENVIRONMENTAL

We are deeply committed to managing our business and our facilities in an environmentally responsible way. Through investments in green technology, energy efficiency and other programs, we conserve natural resources and reduce waste. As a property and casualty insurer, we appreciate the risk environmental catastrophes pose to our business and seek ways to capitalize on environmental opportunities.

SOCIAL

We are intently focused on making a difference where we live and work. As a dynamic and growing property and casualty insurance company, we offer an innovative and collaborative environment where employees can gain new experiences and grow their careers. Our company also supports a wide range of causes in our home communities, with a special emphasis on youth and education. We take pride in the development of our workforce and fostering an atmosphere where our employees can be involved corporate citizens.

GOVERNANCE

For more than 165 years, we have governed our actions with integrity. Our governance practices and code of conduct hold the entire organization accountable for honest, truthful business practices.

The Hanover Insurance Group®

Delivering Value

- High-quality products and services
- Sustainable profitable growth
- Superior returns







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Forward-Looking Statements

Certain statements in this presentation and comments made by management (or responses to questions) may be “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as, but not limited to, “believes,” “anticipates,” “expects,” “may,” “projects,” “projections,” “plan,” “likely,” “potential,” “targeted,” “forecasts,” “should,” “could,” “continue,” “outlook,” “guidance,” “modeling” and other similar expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. The company cautions investors that any such forward-looking statements are estimates, beliefs, expectations and/or projections that involve significant judgement, and that historical results, trends and forward-looking statements are not guarantees and are not necessarily indicative of future performance. Actual results could differ materially from those anticipated.

These statements include, but are not limited to, the company’s statements regarding:

- The company’s outlook and its ability to achieve components or the sum of the respective period guidance on its future results of operations including: the combined ratio, excluding or including both prior-year reserve development and/or catastrophe losses; catastrophe losses; net investment income; growth of net premiums written and/or net premiums earned in total or by line of business; expense ratio; operating return on equity; and/or the effective tax rate;
- The impact of the COVID-19 outbreak and subsequent global pandemic (“Pandemic”) and related economic conditions on the company’s operating and financial results, including, but not limited to, the impact on the company’s investment portfolio, declining claims frequency as a result of reduced economic activity, severity from higher cost of repairs due to, among other things, supply chain disruptions, and declines in premium as a result of, among other things, credits or refunds to the company’s customers, lower submissions, renewals and policy endorsements;
- Uses of capital for share repurchases, special or ordinary cash dividends, business investments or growth, or otherwise, and outstanding shares in future periods as a result of various share repurchase mechanisms, capital management framework, especially in the current environment, and overall comfort with capital levels;
- Variability of catastrophe losses due to risk concentrations, changes in weather patterns including global warming, terrorism or other events, as well as the complexity in estimating losses from large catastrophe events due to delayed reporting of the existence, nature or extent of losses or where “demand surge,” regulatory assessments, litigation, coverage and technical complexities or other factors may significantly impact the ultimate amount of such losses;
- Current accident year losses and loss selections (“picks”), excluding catastrophes, and prior accident year loss reserve development patterns, particularly in complex “longer tail” liability lines, as well as the inherent variability in property and non-catastrophe weather losses;
- The confidence or concern that the current level of reserves is adequate and/or sufficient for future claim payments, whether due to losses that have been incurred but not reported, circumstances that delay the reporting of losses, business complexity, adverse judgments or developments with respect to case reserves, the difficulties and uncertainties inherent in projecting future losses from historical data, changes in replacement and medical costs, as well as complexities related to the Pandemic, including legislative, regulatory or judicial actions that expand the intended scope of coverages, or other factors;
- Characterization of some business as being “more profitable” in light of inherent uncertainty of ultimate losses incurred, especially for “longer tail” businesses;
- Efforts to manage expenses, including the company’s long-term expense savings targets, while allocating capital to business investment, which is at management’s discretion;
- Mix improvement, underwriting initiatives, coverage restrictions and pricing segmentation actions, among others, to grow businesses believed to be more profitable or reduce premiums attributable to products believed to be less profitable; balance rate actions and retention; offset long-term and/or short-term loss trends due to increased frequency; increased “social inflation” from a more litigious environment and higher average cost of resolution, increased property replacement costs, and/or social movements;
- The ability to generate growth in targeted segments through new agency appointments; rate increases (as a result of its market position, agency relationships or otherwise), retention improvements or new business; expansion into new geographies; new product introductions; or otherwise; and
- Investment returns and the effect of macro-economic interest rate trends, including the macro-economic impact of the Pandemic and corresponding governmental initiatives taken in response, and geopolitical circumstances on new money yields and overall investment returns.

Additional Risks and Uncertainties

Investors are further cautioned and should consider the risks and uncertainties in the company's business that may affect such estimates and future performance that are discussed in the company's most recently filed reports on Form 10-K and Form 10-Q and other documents filed by The Hanover Insurance Group, Inc. with the Securities and Exchange Commission ("SEC") and that are also available at www.hanover.com under "Investors." These risks and uncertainties include, but are not limited to:

- The severity, duration and long-term impact related to the Pandemic, including, but not limited to, decline in economic conditions, possible government responses, legislative, regulatory and judicial actions, adverse impacts to the investment portfolio valuation and yield, changes in frequency and severity of claims in both Commercial and Personal Lines, customers' ability to pay premiums or renew existing insurance policies, impacts to distributors (including agent partners), and the possibility of additional premium adjustments, including credits and returns, for the benefit of insureds;
- The potential for operations to be disrupted or negatively impacted due to (i) the risk of the company's workforce, including third-party contractors, being unable to work due to illness, quarantine, limitations on travel or other government restrictions in connection with COVID-19 and the Pandemic; (ii) the company's reliance on the functioning of business continuity plans and technological applications while the majority of employees work remotely for an extended period of time; and (iii) the ongoing threat of cyber attacks and vulnerabilities;
- Changes in regulatory, legislative, economic, market and political conditions, particularly in response to COVID-19 and the Pandemic (such as legislative or regulatory actions that would retroactively require insurers to cover business interruption or other types of claims irrespective of terms, exclusions or other conditions included in the contractual terms of the policies that would otherwise preclude coverage);
- Heightened investment market volatility, fluctuations in interest rates (which have a significant impact on the market value of the investment portfolio and thus book value), U.S. Federal Reserve actions, inflationary pressures, default rates, prolonged global market conditions and other factors that affect investment returns from the investment portfolio;
- Adverse claims experience, including those driven by large or increased frequency of catastrophe events (including terrorism), and severe weather;
- The uncertainty in estimating weather-related losses or the long-term impacts of the Pandemic, and the limitations and assumptions used to model other property and casualty losses (particularly with respect to products with longer tails, such as casualty and bodily injury claims, or involving emerging issues related to losses incurred as the result of new lines of business, such as cyber or financial institutions coverage, or reinsurance contracts and reinsurance recoverables), leading to potential adverse development of loss and loss adjustment expense reserves;
- Litigation and the possibility of adverse judicial decisions, including those which expand policy coverage beyond its intended scope or award "bad faith" or other non-contractual damages, and the impact of "social inflation" affecting judicial awards and settlements;
- The ability to increase or maintain insurance rates in line with anticipated loss costs and/or governmental action, including mandates by state departments of insurance to either raise or lower rates or provide credits or the return premium to insureds;
- Investment impairments, which may be affected by, among other things, the company's ability and willingness to hold investment assets until they recover in value, as well as credit and interest rate risk and general financial and economic conditions;
- Disruption of the independent agency channel, including the impact of competition and consolidation in the industry and among agents and brokers, and the degree to which agents and brokers remain operational during the Pandemic;
- Competition, particularly from competitors who have resource and capability advantages;
- The global macroeconomic environment, including actions taken in response to the Pandemic, inflation, global trade wars, energy markets disruptions, equity price risk, and interest rate fluctuations, which, among other things, could result in reductions in market values of fixed maturity and other investments;
- Adverse state and federal regulation, legislative and/or regulatory actions (including recent significant revisions to Michigan's automobile personal injury protection system and related litigation, and various regulations, orders and proposed legislation related to business interruptions and workers' compensation coverages, premium grace periods and refunds, and rate actions);
- Financial ratings actions, in particular, downgrades to the company's ratings;
- Operational and technology risks and evolving technological and product innovation, including risks created by remote work environments, and the risk of cyber-security attacks or breaches on the company's systems or resulting in claim payments (including from products not intended to provide cyber coverage);
- Uncertainties in estimating indemnification liabilities recorded in conjunction with obligations undertaken in connection with the sale of various businesses and discontinued operations; and
- The ability to collect from reinsurers, reinsurance pricing, and the performance of the discontinued voluntary property and casualty pools business (including those in the Other segment or in Discontinued Operations).

Investors should not place undue reliance on forward-looking statements, which speak only as of the date they are made, and should understand the risks and uncertainties inherent in or particular to the company's business. We do not undertake the responsibility to update or revise such forward-looking statements.

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Non-GAAP Financial Measures

Non-GAAP Financial Measures

The discussion in this presentation includes reference to certain financial measures that are not derived from generally accepted accounting principles, or GAAP, such as operating income, operating income before taxes (and interest expense) and combined ratios, excluding catastrophes and/or prior-year development. A reconciliation of non-GAAP measures to the closest GAAP measure are included in the end notes to this presentation. Current accident year loss ratio and combined ratio excluding catastrophes are non-GAAP measures; total loss ratio and combined ratio are the most directly comparable GAAP measures. Operating income (operating income per diluted share) is a non-GAAP measure. It is defined as net income excluding the after-tax impact of net realized and unrealized investment gains and losses, as well as results from discontinued operations divided by, in the case of per share reported figures, the average number of diluted shares of common stock. Operating return on equity ("ROE") and adjusted operating ROE are non-GAAP measures. See end note (3) for a detailed explanation of how these measures are calculated. Operating ROE is based on non-GAAP operating income, and adjusted operating ROE is a measure of operating income as a return on only that portion of shareholders' equity attributable to the continuing business. For measurement periods prior to the close of the Chaucer transaction, which occurred on December 28, 2018, "equity attributable to Chaucer", which was reported as discontinued operations, is excluded. For measurement periods post-closing, "the un-deployed equity", and related net investment income, is excluded. This eliminates the dilutive impact of any excess capital that would have been included in "equity attributable to Chaucer" and "the un-deployed equity" for the corresponding periods presented. Had the actual Chaucer equity for all prior periods been used, the adjusted operating ROE for the continuing businesses for each of the reported periods would have been higher than illustrated in this disclosure. Management believes that these measures are helpful to investors and financial analysts in that they provide insight to the capital used by, and results of, continuing operations exclusive of interest, taxes and other non-operating items. These measures should not be construed as substitutes for GAAP ROE, which is based on net income and shareholders' equity of the entire company and without adjustments. The definition of other financial measures and terms can be found in the 2019 Annual Report on page 38.

End notes

(1) Operating income (loss) and operating income (loss) per diluted share are non-GAAP measures. See the disclosure on the use of non-GAAP measures throughout this presentation under the heading “Non-GAAP Financial Measures.” The following table provides the reconciliation of operating income (loss) and operating income (loss) per diluted share to the most directly comparable GAAP measures, income (loss) from continuing operations and income (loss) from continuing operations per diluted share, respectively, which are then reconciled to net income (loss) and net income (loss) per diluted share, respectively:

	Three months ended				Years ended			
	March 31, 2019		March 31, 2020		December 31, 2018		December 31, 2019	
(In millions, except per share data)	$ Amount	Per Share Diluted	$ Amount	Per Share*	$ Amount	Per Share Diluted	$ Amount	Per Share Diluted
OPERATING INCOME (LOSS)								
Commercial Lines	$80.2		$54.6		$265.7		$300.1	
Personal Lines	26.8		64.9		146.2		144.9	
Other	2.8		(2.4)		(5.4)		8.6	
Total	109.8		117.1		406.5		453.6	
Interest expense	(9.4)		(9.4)		(45.1)		(37.5)	
Operating income before income taxes	100.4	$2.44	107.7	$2.77	361.4	$8.40	416.1	$10.24
Income tax expense on operating income	(19.7)	(0.48)	(20.9)	(0.54)	(69.3)	(1.61)	(84.5)	(2.08)
Operating income after income taxes	80.7	1.96	86.8	2.23	292.1	6.79	331.6	8.16
Per share adjustment	-	-	-	0.04	-	-	-	-
Non-operating items:								
Net realized gains (losses) from sales and other	(0.4)	(0.01)	3.1	0.08	(2.7)	(0.06)	4.9	0.12
Net change in fair value of equity securities	48.6	1.18	(136.2)	(3.56)	(43.4)	(1.01)	106.5	2.62
Impairment losses on investments	-	-	(28.5)	(0.74)	-	-	-	-
Net other-than-temporary impairment losses on investment recognized in earnings	-	-	-	-	(4.6)	(0.11)	(2.0)	(0.05)
Loss from repayment of debt	-	-	-	-	(28.2)	(0.65)	-	-
Other	-	-	-	-	-	-	(3.4)	(0.08)
Income tax benefit (expense) on non-operating items	(6.3)	(0.15)	36.1	0.94	25.8	0.60	(8.6)	(0.21)
Income (loss) from continuing operations, net of taxes	122.6	2.98	(38.7)	(1.01)	239.0	5.56	429.0	10.56
Discontinued Operations (net of taxes):								
Sale of Chaucer business	0.9	0.02	-	-	131.9	3.07	(1.2)	(0.03)
Income (loss) from Chaucer business	(0.3)	(0.01)	-	-	20.0	0.46	1.6	0.04
Income (loss) from discontinued life businesses	(0.8)	(0.02)	(1.3)	(0.03)	0.1	-	(4.3)	(0.11)
Net income (loss)	$122.4	$2.97	($40.0)	($1.04)	$391.0	9.09	$425.1	10.46
Dilutive weighted average shares outstanding		41.2		38.9		43.0		40.6
Basic weighted average shares outstanding				38.3				

* For three months ended March 31, 2020, operating income metrics are calculated using diluted shares outstanding; non-operating items, loss from continuing and discontinued operations and net loss metrics are calculated using basic shares outstanding due to antidilution

End notes

(2) Operating return on average equity and adjusted operating return on average equity ("Operating ROE" and "Adjusted Operating ROE") are non-GAAP measures. Operating ROE is calculated by dividing annualized operating income after tax for the applicable period (see end note (1)), by average shareholders' equity, excluding unrealized appreciation (depreciation) on fixed maturity investments, net of tax, for the stated period. For the calculation of adjusted operating ROE, shareholders' equity is adjusted for "equity attributable to Chaucer" for measurement periods prior to the close, which occurred on December 28, 2018, for "the [then] un-deployed equity" for measurement periods post-close and for net unrealized appreciation (depreciation) on fixed maturity investments, net of tax. Additionally, for the calculation of adjusted operating ROE, operating income, net of tax, is adjusted for the net investment income related to un-deployed equity attributable to Chaucer, net of tax, for measurement periods post-close. Operating ROE and Adjusted operating ROE should not be construed as substitutes for GAAP ROE. Total shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, is also a non-GAAP measure. Total shareholders' equity is the most directly comparable GAAP measure, and is reconciled on the following pages. For the calculation of operating ROE, the average shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, for the beginning, ending, and, if applicable, intra-reported quarters are used. For the calculation of operating ROE and adjusted Operating ROE for the three months ended March 31, 2019, the balance at December 31, 2018 is adjusted by the payment of $250 million made on January 2, 2019 related to the ASR entered into on December 30, 2018. For the calculation of adjusted operating ROE, the average shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and "equity attributable to Chaucer" for measurement periods prior to the close, or "un-deployed equity" for measurement periods post-close, for the beginning and ending quarters are used. See calculations on the following pages, including the calculation of net income (loss) ROE using net income (loss), annualized, and average shareholders' equity without adjustments:

End notes

(2) Continued.

	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Total shareholders' equity (GAAP)	$2,997.7	$2,913.1	$2,939.8	$2,982.4	$2,954.7
Less: net unrealized appreciation (depreciation) on fixed maturity investments, net of tax	205.4	0.3	(48.8)	(74.0)	(27.2)
Total shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax	2,792.3	2,912.8	2,988.6	3,056.4	2,981.9
Less: Pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity	614.6	614.6	614.6	614.6	656.6
Adjusted shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity	$2,177.7	$2,298.2	$2,374.0	$2,441.8	$2,325.3
Average shareholders' equity (GAAP)					$2,957.5
Average shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax					$2,946.4
Average adjusted shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity					$2,323.4

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End notes

(2) Continued.

($ in millions)	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Total shareholders' equity (GAAP)	$2,954.7	$2,927.0	$2,941.1	$3,086.8	$2,916.2
Less: net unrealized appreciation (depreciation) on fixed maturity investments, net of tax	(27.2)	90.7	192.3	235.3	216.0
Total shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax	2,981.9	2,836.3	2,748.8	2,851.5	2,700.2
Less: Payment made on January 2, 2019 for the ASR agreement entered into on December 30, 2018	250.0	-	-	-	-
Total shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and including the ASR payment	2,731.9	2,836.3	2,748.8	2,851.5	2,700.2
Less: Pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity	406.6	406.6	256.6	256.6	-
Adjusted shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity	$2,325.3	$2,429.7	$2,492.2	$2,594.9	$2,700.2
Average shareholders' equity (GAAP)					$2,965.2
Average shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and including the ASR payment					$2,773.7
Average adjusted shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity; and including the ASR payment					$2,508.5

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End notes

(2) Continued.

($ in millions)	December 31, 2018	March 31, 2019	December 31, 2019	March 31, 2020
Total shareholders' equity (GAAP)	$2,954.7	$2,927.0	$2,916.2	$2,736.6
Less: net unrealized appreciation (depreciation) on fixed maturity investments, net of tax	(27.2)	90.7	216.0	132.8
Total shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax	2,981.9	2,836.3	2,700.2	2,603.8
Less: Payment made on January 2, 2019 for the ASR agreement entered into on December 30, 2018	250.0	-	-	-
Total shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and including the ASR payment	2,731.9	2,836.3	2,700.2	2,603.8
Less: Pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity	406.6	406.6	-	-
Adjusted shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity	$2,325.3	$2,429.7	$2,700.2	$2,603.8
Average shareholders' equity (GAAP)		$2,940.9		$2,826.4
Average shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and including the ASR payment		$2,784.1		$2,652.0
Average adjusted shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity; and including the ASR payment		$2,377.5		N/A

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End notes

(2) Continued.

	Three months ended	Years ended	
	March 31	December 31	December 31
Net Income (Loss) ROE (non-GAAP)	2020	2018	2019
Net income (loss) (GAAP)	($40.0)	$391.0	$425.1
Annualized net income (loss)* (non-GAAP)	(160.0)	391.0	425.1
Average shareholders' equity (GAAP) (end note (8))	2,826.4	2,957.5	2,965.2
Return on equity (non-GAAP)	(5.7)%	13.2%	14.3%
Operating Income ROE (non-GAAP)			
Annualized operating income, net of tax* (end note (1))	$347.2	$292.1	$331.6
Average shareholders' equity, excluding net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and including the ASR payment (end note (8))	2,652.0	2,946.4	2,773.7
Operating return on equity	13.1 %	9.9%	12.0%
Adjusted Operating Income ROE (non-GAAP)			
Annualized operating income, net of tax* (end note (1))		$292.1	$331.6
Less: Annualized net investment income related to un-deployed equity attributable to Chaucer, net of tax**		-	9.3
Annualized operating income, excluding the net investment income related to the un-deployed equity attributable to Chaucer, net of tax		292.1	322.3
Average adjusted shareholders' equity, excluding both net unrealized appreciation (depreciation) on fixed maturity investments, net of tax, and pre-sale, equity attributable to Chaucer; or post-close, un-deployed equity (end note (8))		2,323.4	2,508.5
Adjusted operating return on equity		12.6%	12.8%

(3) For purposes of the expense ratio calculation, expenses are reduced by installment and other fees.

* For three months ended March 31, 2020, net income (loss) and operating income is annualized, which is calculated by multiplying three months ended March 31, 2020 net income (loss) and operating income by 4. Twelve months ended December 31, 2018 and 2019 are actual reported net and operating income

** Net investment income related to the un-deployed equity attributable for each quarter is calculated by multiplying the respective quarter's un-deployed equity attributable to Chaucer by the respective quarter's total pre-tax yield, net of tax and dividing by 4. For the year ended December 31, 2019, net investment income related to the un-deployed equity attributable to Chaucer is calculated by adding the respective quarters' net investment income related to the un-deployed equity attributable to Chaucer, net of tax.

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Other Non-GAAP Measure

Below is a reconciliation of net premiums written to net premiums written, excluding Commercial Auto and Hanover Program business (what is referred to as growth “excluding targeted underwriting actions” in the prepared remarks by John C. Roche):

	Years ended		
	December 31 2018	December 31 2019	Growth
Consolidated Lines net premiums written	$4,384.8	$4,581.7	4.5 %
Less:			
Commercial Auto	344.8	336.1	(2.5)%
Program Business	219.0	200.3	(8.5)%
Net premiums written, excluding Commercial Auto and Program Business	$3,821.0	$4,045.3	5.9 %

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